GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:3203
ANSWERED ON:22.03.2002
EXPORT OF TEXTILES
Y.S. VIVEKANANDA REDDY

Will the Minister of TEXTILES be pleased to state:

(a) whether the medium term export strategy (2002-07) stated that `with China and other South-East and South Asian countries having outperformed in textiles, drastic measures are needed which are required not only to retain but also improve our share in the world market;

(b) if so, whether these measures are needed as India was falling behind in all markets except the European Union (EU) in textiles, a major export item;

(c) if so, whether in all the three thrust markets of the US, EU and Japan the share of China in most of the textile items was very large;

(d) whether the textile exports are projected to show a CAGR of 7.2 percent against an annual growth of 6.08 percent since 1996-97 to rise to $18.3 billion in 2006-07 from the present $12.1 billion;

(e) if so, whether any initiatives has been proposed to achieve the target; and

(f) if so, the steps being taken to implement them ?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) Yes Sir.

(b) to (d) These observations / findings are also contained in the Department of Commerce`s strategy paper`Medium Term Export Strategy (2002-2007)`.

(e) and (f) In order to face the challenges of changing global scenario in textiles and to encourage investments for modernisation and upgradation of the textile industry and to achieve the export target, Government have been taking measures from time to time. Some of the initiatives taken in this regard are:-

i) The Government has de-reserved the woven segment of readymade garment from the SSI sector.It has also announced the de-reservation of knitted segment in the Budget 2002-03.

ii) The Technology Upgradation Fund Scheme (TUFS) has been made operational from 1-4-1999 to facilitate the modernisation and upgradation of this sector so that it can become more competitive in international trade.

iii) Weaving, processing and garment machinery, which are covered under TUFS, have been extended the facility of accelerated depreciation at the rate of 50%.

iv) With a view to encouraging backward integration, the custom duty on shuttleless looms has been brought to 5%. A programme has also been announced to induct 50,000 shuttleless looms and to modernise 2.5 lakh powerlooms in the decentralised sector by 2004.

v) Foreign equity participation upto 100% through automatic route has been allowed in the textile sector with certain exceptions.

vi) Reduction in the cost of machinery through fiscal policy measures announced in the budget 2002-03.

vii) Technology Mission for Cotton has been launched for initiating focussed steps for boosting production, productivity and quality of cotton for manufacture and export of competitive downstream textile products.

viii) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry especially apparel in the field of design, merchandising and marketing.